



CALIFORNIA VETERANS BOARD
FRIDAY, JULY 12, 2002, 9 A.M.
ELKS LODGE, THOUSAND OAKS
FORMAL HEARING FOR DONALD LAKE



The formal hearing for Donald Lake was called to order at 9:00 AM. California Veterans Board members present included Chairman George Sinopoli (Fresno), Vice Chairman Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Larry Lattman (California Veterans Home in Yountville) and Leo Burke (Stockton). CVB Executive Officer Earl Steck was also present. Judy Gaze (San Diego) was excused from the meeting. The Board has one vacancy.

This is the appeal of Donald Lake from denial of admission to the Veterans Home in Chula Vista. A court reporter was present to take verbatim minutes of the hearing. The following minutes of the hearing are in summary form only.

Chairman Sinopoli called upon Joe Maguire, Deputy Secretary for Legal Affairs/Chief Counsel, who explained that John Jackson, Staff Counsel, would represent the Department, Mr. Lake would represent himself and Chairman Sinopoli would be the presiding officer for this appeal. The only limitations on the admission of evidence are that it be relevant and material.

In his opening statement, Mr. Lake accused the Department of being punitive. He claimed to have a letter dated in February 2000 granting him entry into the Veterans Home at Chula Vista. He alleged that the Board and Department were the subject of numerous criticisms and said a group entitled Citizens for Better Veterans Homes was formed because of corruption in the Department. Mr. Sinopoli warned Mr. Lake to stay on the subject of his denial of entry into the Home. Mr. Lake said it was the Department and the Board who have acted punitively. He said he had a letter with a move-in date.

In his opening statement, Mr. Jackson said the Military and Veterans Code, the California Code of Regulations, and policy of the California Veterans Board cover the matter of Mr. Lake's denial of entry into the Veterans Home at Chula Vista. Tom Arnold, Administrator of the Veterans Home at Chula Vista, acted within the law, regulations and policy when he denied entry to Mr. Lake.

Mr. Lake said there were three questions to be answered. First is whether there evidence that his veteran status has changed. His veteran status had been deemed sufficient to get him into the Veterans Home at Barstow in 1998. Second, he is under age 62 and needs federal disability status. Third, when is his move-in date?

Mr. Jackson said admission to a Veterans Home is mandated by statute, regulations and policy. The California Code of Regulations is very clear and Mr. Lake was provided with that information. The regulation regarding entry into a veteran's home is based upon policy of the Board that provides:

[Board Policy Attached]

The California Code of Regulations provides as follows:

“504.1. Readmission After Code of Conduct Violation.

“(a) Pursuant to Section 72527, Title 22, CCR, the Veterans Home shall, prior to admission, provide all applicants with a written copy of the Veterans Home Code of Conduct (Rev.10/91) which is a listing of all the rules governing patient conduct.

“(b) Persons discharged for disciplinary reasons from the Veterans Home because of violations of the Veterans Home Code of Conduct shall be considered for readmission after six (6) months following the date of discharge, subject to the following conditions:

“(1) There is evidence of rehabilitation or modification of behavior patterns that correct the infraction of discipline which was the cause of the discharge.

“(2) Persons who had a record of belligerent and disruptive behavior while in the Home shall be evaluated as to present attitudes and behavior patterns.

“(3) The Incident Review Committee shall evaluate the candidate's records of discharge and behavior prior to readmission application and then make a recommendation to the Administrator. So as to provide peer review the Committee shall include member representation.”

The problem with Mr. Lake's entry into the Chula Vista Home is that the proper care is not available to him at that site. Mr. Lake's disability requires psychiatric care that is not available. This type of care was available to Mr. Lake as a resident of the Barstow Veterans Home. When he applied for entry to Barstow, he stated that he had severe depression. The Chula Vista Home does not have facilities to handle that type of care. Mr. Lake has been advised of that fact. To admit Mr. Lake under the circumstances of his present illness would be wrong because he would not be receiving the care he needs.

Sections 502 and 504, Code of Regs.

Mr. Lake was involuntarily discharged from the Barstow Veterans Home. The first 60 days after a veteran enters one of the Homes is conditional. Violation of the Home's code of conduct or rules and regulations while in a conditional admission status shall be cause for immediate discharge. Within Mr. Lake's first 60 days as a resident of Barstow, he was cited for four conduct violations. Although there were grounds, he was not immediately discharged. The staff at the Barstow home tried to work with Mr. Lake so that he could stay in the home. The conduct violations continued, and still he was not discharged. They took another 60 days to try to find him a facility that could help him. However, there were more conduct violations, he refused to seek the psychiatric help he needed and the Department finally had to go to court to force him from the Barstow Veterans Home. Mr. Lake appealed the decision, but it was upheld on appeal.

Mr. Jackson called on Tom Arnold, Administrator of the Veterans Home. Mr. Arnold testified he had interviewed Mr. Lake in November 2000. Mr. Lake told Mr. Arnold that the staff at Barstow had been out to get him and were “railroading” him out of the home. He said all charges against him were fabricated and there was no basis for the conduct violations he received. There had been an incident at a meeting of the California Veterans Board in calendar year 2000 where he wrapped toilet paper around his head. When asked his purpose in doing that, he claimed it was an expensive means of head protection. Mr. Arnold said Mr. Lake had also made a number of threatening telephone calls to members of his staff at the Chula Vista home. Mr. Arnold read his letter to Mr. Lake denying him entry into the Veterans Home at Chula Vista based upon records and interviews and a determination that the care necessary for Mr. Lake is not available at the Chula Vista facility.

Mr. Jackson called on Karen Carter, a Psychiatric Social Worker and the Veterans Home in Chula Vista. She testified she had a Master’s Degree in Social Work. She sat in on a meeting with Mr. Arnold and Mr. Lake as an observer. She described Mr. Lake’s demeanor during the meeting. She said he was very agitated, demonstrated anger verbally and through arm gestures, and denied having any responsibility for any of the problems reported by the Barstow Veterans Home. She said Mr. Lake appeared to be delusional and paranoid individual who externalizes problems by placing blame on others.

Mr. Jackson explained that the letter Mr. Lake refers to, as being his admittance to the Chula Vista Home is merely a letter acknowledging receipt of his application. He called the Board’s attention to the many code violations, copies of which had been provided. He said if the Veterans Homes were able to help Mr. Lake, they would do so. However, Mr. Lake’s problems are outside of the parameters of the care available. Although his disability is not service-related, it is a very serious disability. He said he the Department should make every effort possible to help Mr. Lake get the help he needs, possibly in a federal facility, but that help is not available through the Department’s own facilities. Mr. Arnold was correct in his decision to deny entry to Mr. Lake.

Mr. Lake challenged the testimony of Mr. Arnold. He asked repeatedly about letters and documents he had sent to Mr. Arnold. Mr. Arnold explained that he had received many documents from Mr. Lake, but that none of those documents provided information or evidence showing that Mr. Lake should be admitted to the Chula Vista home. Mr. Lake further alleged that the Department would not hear his side of the issue until members of the Legislature got involved. Mr. Lake continued to challenge Mr. Arnold regarding letters and documents he had sent over a period of months. Mr. Arnold explained he had seen the letters and documents, but there was nothing that provided evidence that the decision denying entry to the Chula Vista Home should be overturned. Mr. Sinopoli advised Mr. Lake that his repeated questions and arguments at this point were not relevant to the case.

Dr. Feldman tried to explain to Mr. Lake that the discourse between he and Mr. Jackson and Mr. Arnold was inappropriate. His arguments about various pieces of correspondence was not relevant and he should be addressing the Board members who were here to determine whether his appeal of denial of entry to the Chula Vista home should be reversed. Dr. Feldman said what he heard through Mr. Lake’s questions were that he is concerned he has not received due process under the law. Dr. Feldman said that due process had brought him to the Board to exercise his right of appeal. He said what he had not heard was what was the basis in fact for the Board to grant the appeal for admission to the Home. He asked Mr. Lake to succinctly express his basis for appeal. He said people had traveled great distances in an effort to serve Mr. Lake’s needs. He said he would like Mr. Lake to be reasonable with their time as well and express clearly, in understandable terms why he should be admitted to the Chula Vista Home.

Mr. Lake said he did not want other people to say things about him that are not true. He said the staff at Barstow had said bad things about him. Chairman Sinopoli again advised Mr. Lake that such things were irrelevant to the appeal hearing. Mr. Lake said he was evicted as a patient by a judge who was facing his third review. He said he was not a bad patient at Barstow. He said he was kicked out for political reasons.

Dr. Feldman asked Mr. Lake for his assessment of his psychiatric condition. Mr. Lake said suffered from depression, sleeplessness and fatigue. He classified his depression as moderate. Dr. Feldman asked if the depression caused him to keep to himself and behave in an introverted way and not interact with others or does it manifest itself in “grandiosity”—notions of self-importance, notions of people being dissatisfied with his behavior. Mr. Lake agreed that his depression manifests itself through sleeplessness and fatigue. When asked if he thought he intimidated people, Mr. Lake replied he did when he is on the defensive. When asked if it happened often, he said outside of Cal-Vet, it happened rarely. Dr. Feldman pointed out that this is all about Cal-Vet and entry into a Veterans Home. Mr. Lake says the lack of structure hurts him. He believes his condition has grown worse since being removed from the Veterans Home at Barstow. Dr. Feldman asked if bi-polar disorder had ever been discussed. Mr. Lake does not believe he suffers from bi-polar disorder, but continued to complain that Barstow had cut off his care.

Mr. Burke asked Mr. Lake why there were so many code violations filed against him. Mr. Lake said it was because he was affiliated with Citizens for a Better Veterans Home and because certain people in Barstow were trying to get him out of the Home and they illegally did it.

Larry Lattman pointed out that the veterans who reside in the California Veterans Home are not “patients”. They are residents of a retirement community. Patients reside in hospitals.

Mr. Jackson agreed and said that is why Mr. Lake cannot be admitted into the Chula Vista Veterans Home. It is a community of veteran residents and there are no facilities for psychiatric patients.

Chairman Sinopoli called a recess so that the Board could make a determination on the appeal.

After the recess, Chairman Sinopoli advised Mr. Lake that he would receive the decision of the Board in writing from the Executive Officer. He adjourned the meeting at 10:45 a.m.

CALIFORNIA VETERANS BOARD GENERAL POLICY

SECTION: A-4
ADOPTED: 2/8/80

REVISED: 5/29/98
REVIEWED:

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To prescribe policies and procedures for appeals to the Board pursuant to Section 86 of the California Military and Veterans Code.

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Feldman asked if the depression caused him to keep to himself and behave in an introverted way and not interact with others or does it manifest itself in “grandiosity”—notions of self-importance, notions of people being dissatisfied with his behavior. Mr. Lake agreed that his depression manifests itself through sleeplessness and fatigue. When asked if he thought he intimidated people, Mr. Lake replied he did when he is on the defensive. When asked if it happened often, he said outside of Cal-Vet, it happened rarely. Dr. Feldman pointed out that this is all about Cal-Vet and entry into a Veterans Home. Mr. Lake says the lack of structure hurts him. He believes his condition has grown worse since being removed from the Veterans Home at Barstow. Dr. Feldman asked if bi-polar disorder had ever been discussed. Mr. Lake does not believe he suffers from bi-polar disorder, but continued to complain that Barstow had cut off his care.

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Chairman Sinopoli called a recess so that the Board could make a determination on the appeal.

After the recess, Chairman Sinopoli advised Mr. Lake that he would receive the decision of the Board in writing from the Executive Officer. He adjourned the meeting at 10:45 a.m.

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**MINUTES OF SELECT COMMITTEES MEETING #647
Friday, July 12, 2002 -- 2:00 P.M.
Elks Lodge, Thousand Oaks**

OPENING COMMENTS/ INTRODUCTIONS:

The California Veterans Board (CVB) informal public meeting was called to order at 2:00 PM. California Veterans Board members present included Chairman George Sinopoli (Fresno), Vice Chairman Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Larry Lattman (California Veterans Home in Yountville) and Leo Burke (Stockton). CVB Executive Officer Earl Steck was also present. Judy Gaze (San Diego) was excused from the meeting.

Chairman Sinopoli welcomed Leo Burke back to the Board. Mr. Burke had previously been a member of the California Veterans Board, had recently served a Chairman of the Governor's Commission on Veterans Homes and had now been reappointed to the Board by Governor Davis.

Chairman Sinopoli introduced Bruce Thiesen, Secretary of Veterans Affairs, and thanked him for being in attendance. Mr. Thiesen introduced members of his staff including Joe Maguire, Deputy Secretary for Legal Affairs; John Hanretty, Chief of Finance Division; and Ron Brand, CDVA Marketing.

Members of the audience introduced themselves.

Chairman Sinopoli emphasized that this is an informal meeting and members of the audience are invited to ask questions.

SELECT COMMITTEES REPORTS:

Annual Report – Jerry Basconcillo, Chair: He is working with the Board Executive Officer developing the annual report of Board activities to be submitted to the Governor on October 1. He provided draft copies.

Contract Review - Jerry Basconcillo, Chair: No report at this time.

Legislation – Leo Burke, Chair: Mr. Burke said he would be reporting on legislation regarding future Veterans Homes at the formal meeting on Saturday.

Veterans Homes - Larry Lattman, Chair: Mr. Lattman said he would report at the formal meeting on Saturday.

A member of the audience asked about the new proposed veterans homes. It was explained that there are four bills in the Legislature dealing with the new homes to be built. All four bills must be passed in order to apply to the federal government for matching funds by August 15. Action on the federal level will take place by October 15.

Shortly after October 15, we should be able to start building. The Lancaster, Saticoy and West Los Angeles projects are scheduled to start at the same time. There is authorization to open each home as it is completed.

Veterans Services - Jerry Basconcillo, Chair: There is a Stand Down in San Diego the weekend of July 12-14. Secretary Thiesen is planning to attend.

Appeals – George Sinopoli, Chair:

Donald Lake - Veterans Home - appeal is under submission and a formal decision will be furnished within 30 days.

Janis Bianco - Farm and Home Loan issue - pending.

M. J. Sinopoli - Education Fee Waiver – formal hearing requested. There may be legislation involved in this case – assigned to Basconcillo and Feldman.

Daniel Solorzano – Education Fee Waiver – review of records – Basconcillo.

Teena Veliz – Education Fee Waiver – informal hearing – Basconcillo

Douglas Wallis – Farm and Home – informal hearing – Gaze.

Farm and Home - Judy Gaze, Chair: Ms. Gaze is excused from this meeting and there is no report.

Policy and Procedures – Edward Feldman Chair: The Board’s Policy Manual should be completed over the next couple of months. A meeting of all Board Members will be scheduled to review the draft manual.

Chairman Sinopoli suggested an informal meeting. It would be a planning meeting to discuss policy. A September date will be proposed.

Recognition and Awards – George Sinopoli Chair: Chairman Sinopoli said the Board would continue to recognize those in the community that are serving veterans.

OPEN FORUM / ROUND TABLE DISCUSSION:

Don Lake, representing Citizens for Better Veterans Homes. He commented that the Elks Lodge has ties to veterans through patriotic programs and advocacy of veterans issued. He thanked the VFW for providing refreshments. He discussed a number of programs involving veterans, including the retirement of American flags, access to federal recreation areas for disabled veterans and military women concerned about the policy on discharges for pregnancy.

A member of the audience commented that the Elks created the first veterans hospital in Boston in 1917. He said the Elks Lodge continues to support veteran’s hospitals throughout the country. Another person said the hospital in Boston was 226 beds. The Elks in New York started another hospital of the same size. They turned the hospitals over to the federal government, that did not have an agency to operate the hospitals and the Veterans Administration was created to operate the two hospitals built by the Elks Lodge.

UNFINISHED BUSINESS

Unreimbursed Cost of Care – Joe Maguire said the literature regarding unreimbursed cost of care has been revised. An addendum has been put in the admittance information. If a veteran does not understand, a counselor will provide an explanation. There will be a seminar provided by one of the staff attorneys. The Department will do everything possible to assist people in understanding this matter.

Update of CVB Policy Book. This has been discussed and a meeting will be held September 13-14.

Update on Letter of Request from Attorney General. This issue involves the California Veterans Board asking the Attorney General to represent them as independent counsel. The Attorney General’s Office has replied citing a ruling that it is not a conflict of interest to have one attorney on staff represent the Board while another attorney on staff acts as a prosecutor. In such cases, there will be no communication between the attorney representing the Board and the attorney representing the Department.

NEW BUSINESS

Life and Disability Insurance Program Update: George Flores reported two insurance companies are bidding for the business. He will report more fully at the formal meeting on Saturday.

Mr. Flores discussed the case of a loan holder, (Bianco), under the self-insured life and disability program, who has already contacted the Board. He has been on disability for several years. Staff learned in September 2001 that Mr. Bianco is renting the property. Mr. Flores submitted a letter to the Board for its review. It is being proposed that the Department continue making the disability payments, but the full amount of the rent is to be applied against the contract balance. It is agreed that the veteran is disabled, but it is not equitable to continue paying disability benefits while the veteran is using the property to produce income. Another alternative is that if the veteran pays the loan in full, the Department will credit \$25,000 toward the balance of the loan, thereby providing the disability benefit. The Board's approval is needed to make this offer to Mr. Bianco. Mr. Flores asked for a policy allowing the Department to negotiate with contract holders in these types of issues. If the veteran does not wish to accept the offer, he would still have the right to appeal any decision to the Board. At this time, the disability coverage is paying the loan installment, including taxes and insurance and the veteran is pocketing the rent he is collecting. There was discussion and it was determined to put the matter over to August when Ms. Gaze, who chairs the Farm and Home Select Committee, will be in attendance. Chairman Sinopoli also asked Mr. Flores and Mr. Maguire formulate a policy for consideration by the Board.

Review of Department Budget: John Hanretty gave a basic overview of the proposed budget for the fiscal year 2002-2003. The Department's total budget, including federal funds, reimbursements, the Farm & Home (Cal-Vet) self-supported funds and amounts from the General Fund totals just over \$366.7 million. Board Member Feldman asked if that was a sufficient amount to run all operations. Mr. Hanretty said it was a bare bones budget, particularly as it involves operating the Veterans Home. Dr. Feldman pointed out the vacant pharmacy position in Chula Vista and said he understood we per diem costs for the replacement pharmacist are considerably more than the regular position would pay. He said the issue of such non-competitive salaries needs to be addressed. He said it also relates to the nursing field and results in recruitment problems and poor retention of employees. Mr. Hanretty explained that the Department of Personnel Administration sets all state civil service salaries. They are reviewed upon request of the various departments. It is understood that the pay scales for nurses and pharmacists are far behind the market. He said the department might be able to offer recruitment bonuses, but that money must be taken from another part of the budget. He said it takes a great deal of time for the DPA to perform a classification study, which might result in higher salaries. Dr. Feldman says the department comes under a great deal of criticism resulting from problems, which result from our inability to offer adequate salaries to retain well-trained staff. He believes the Board should give notice to the appropriate governmental agency that it is aware of the problem and expect response to it. Hard data should be provided backing up the Board's opinion.

It was noted that information on Annual Reports by the Department, an update on the Department's Balanced Score Card Report would be presented at the formal Board meeting on Saturday.

Remarks by Bruce Thiesen, Secretary of Veterans Affairs

Mr. Thiesen reported that the Yountville Veterans Home, the largest in the country, is doing very well and currently has a population of 1,089. A portion of bond money for veteran's homes will be used to remodel buildings at Yountville and bring them up to code. All services will continue to be provided

during remodeling. The federal government will provide matching funds in the amount of \$15 million. The Barstow Veterans Home continues to be in the news in Los Angeles. The fact is that Barstow is fully licensed and has been receiving federal reimbursement since October 2001. Barstow was not totally decertified as newspaper stories implied. The domiciliary unit was certified and the Residential Care Facility for the Elderly was quickly brought under certification. It took some time, but the Skilled Nursing Facility is also certified at this time. The quality of care was never compromised. It was maintained by the state budget. The federal government has now reimbursed us. The Skilled Nursing Facility is three-quarters filled and the domiciliary is about half full. The location of the Barstow home was determined by the Legislature during the Wilson administration. It appears to have been a mistake, but at that time it was looked upon as a redevelopment issue. The Chula Vista Home was licensed in March 2002 and we expect full certification of the Skilled Nursing Facility very shortly.

Mr. Thiesen mentioned unfavorable stories in the media as a result of comments made by Bill Simon while he has been a candidate for governor. The matters criticized by Mr. Simon were taken from old reports and audits that are no longer valid. Those reports and audits pre-dated Governor Davis' administration. Governor Davis was very concerned about the quality of care and the quality of administration at the Barstow home. The decertification of the Barstow facility should not reflect on this administration. The problems were inherited from prior years. It took time to hire and train qualified staff and this was done as quickly as possible after the problems became apparent.

Mr. Thiesen said Mr. Simon commented at the VFW convention regarding the staff at Barstow not being qualified and questioned the leadership at the Agency level. He made the same comments at The American Legion convention in Bakersfield while Mr. Thiesen was in the audience. Afterwards, Mr. Thiesen introduced himself and explained that the information from which Mr. Simon was being briefed was no longer up to date. Unfortunately, the media does not check the facts before printing erroneous information. Mr. Thiesen attended the Jewish War Veterans convention in Palm Springs and noted that Mr. Simon did not criticize the department at the press conference held during that convention.

Mr. Thiesen commented on the planned audit of the department by Assemblyman Florez prior to his removal from the committee chairmanship. That audit was to have dealt with the Disabled Veterans Business Enterprises (DVBE). DVBE was totally administered by the Department of General Services until about six months ago. The Department of Veterans Affairs is now taking a larger role. Mr. Thiesen has attended the council meetings. Two weeks ago, Governor Davis turned the DVBE program over to our Agency to ensure the program is being properly represented in state contracts.

The California Department of Veterans Affairs is pursuing the improvement of services to veterans on many levels. Through the bidding process, the Cal-Vet life and disability program will soon be under a new contract. The life and disability program had been seriously compromised financially and was nearly destroyed under two previous administrations. It has taken some time to overcome inherited problems. Governor Davis has been very pro-veteran and great improvements are being made. The Veterans Services Division is making sure that information is available about fee waivers for college tuition for dependents of disabled veterans. The exemption for disabled veterans in state parks is also being addressed.

Mr. Thiesen said he has traveled this year to conventions and meetings of the VFW, The American Legion, DAV, AmVets, Marine Corps League, Jewish War Veterans and others. He asked the audience to let him know if there were other organizations whose meetings he should attend and said

the he and his staff would be available for town hall meetings. Mr. Thiesen said the Elks Lodge has also been very active in veteran's community for many years.

A member of the audience asked whether plans for the veterans' homes would go forward if Governor Davis were not elected. Mr. Thiesen said that if the bills are passed and the request goes forward to the federal government by the August 15 deadline, plans for the homes would go ahead. The only risk is with the amount of money the federal government will provide. The federal budget for veterans homes in \$100 million for the entire country and the State of California is requesting \$55 million for the construction of the homes at Lancaster, Saticoy and West Los Angeles. He said he knows some veterans are lobbying for larger homes, but changes in the plans at this time might jeopardize the entire project. All the homes being planned at this time are expandable at future dates.

Mr. Thiesen said criticism of the Governor in not approving more veteran's homes in the past is not warranted. When previous legislation was being sought, Barstow had been decertified and the Chula Vista Home had barely been built. It was not practicable at that time to authorize expenditure for further homes. This is not the case at this time and the Governor supports this legislation. He said the media needs to be present at meetings such as this one in order to hear and report the truth about activities within the veteran's community and the California Department of Veterans Affairs.

Chairman Sinopoli asked if there were any further comments. Joe Maguire advised that he had determined that it would be necessary for the Board to hold an open meeting to discuss changes in its policies. This is in connection with a working meeting, possibly in September. It will require that 10 days notice be provided, which should not be a problem.

Chairman Sinopoli emphasized that this Board has taken the position that it will travel to where the veterans are. All members travel extensively throughout the state and Governor Davis has been very supportive of such activities. He declared the informal meeting adjourned.

**CALIFORNIA VETERANS BOARD
MINUTES OF GENERAL SESSION #647
Saturday, July 13, 2002 – 9:00 AM
VFW/Elks Hall, Thousand Oaks, California**

GENERAL SESSION:

The California Veterans Board (CVB) monthly public meeting was called to order at 9:00 AM. Board members present included Chairman George Sinopoli (Fresno), Vice Chairman Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), Larry Lattman (California Veterans Home in Yountville) and Leo Burke (Stockton). CVB Executive Officer Earl Steck was also present. Judy Gaze (San Diego) was excused from the meeting. The Board has one vacancy.

Ed Tingstrom, VFW Post 11395, Thousand Oaks, presented the invocation and Bob Harper, also from VFW Post 11395, led the Pledge of Allegiance.

Joe Maguire introduced personnel from the California Department of Veterans Affairs (CDVA), to include, Jerry Hansen, Inspector General; Joe Maguire, Chief Counsel; George Flores, Chief, Farm and Home Purchases Division; John Heltsley, Administrator of the Veterans Home in Barstow; and Ron Brand, Marketing Director. Department Secretary Bruce Thiesen was out of town on other Department business.

The audience introduced themselves.

Chairman Sinopoli welcomed the members of the audience and said he was pleased to see veterans in attendance. He explained there would be time for comments later in the meeting.

MOTION passed to approve minutes from the CVB meeting of May 17 and 18, 2002.

Chairman Sinopoli said he was proud of what the current Board stood for as far as working with veterans. An example is the open, informal meetings now held the afternoon before the official Board meeting. Veterans are invited to speak at the informal meeting for as long as necessary on issues relating to veterans. He noted there were no Board meetings in June because of the conventions of the veterans' organizations.

REPORT FROM BOARD MEMBERS ON ACTIVITIES FOR MAY AND JUNE:

George Sinopoli reported attending CVB meeting in May in South Lake Tahoe. In June, he attended legislative hearings on the Veterans Homes in Sacramento, attended his confirmation hearing and met with Senator Knight. He attended the Site Selection Committee meeting in Ventura, three annual veterans' conventions—DAV, The American Legion and VFW, meetings on future veterans homes in Jackson and Fresno, and a local church event honoring police, firefighters and veterans. He reported traveling 1,700 on veterans business during May and June.

Member Jerry Basconcillo reported attending the monthly Board meeting in May, meetings of his local VFW and American Legion Posts in June and the VFW convention in Fresno in June and the American Legion convention in Bakersfield in June.

Member Ed Feldman attended the CVB monthly meeting in May. He reported attending several annual state conventions of veterans' organizations in June and a meeting of the Commission on Veterans Homes in Ventura and he visited the Chula Vista Veterans Home

Member Leo Burke reported he attended the state convention of The American Legion in Bakersfield.

Member Larry Lattman reported attending the CVB monthly meeting in May. He attended the annual convention of AmVets in Redding; his confirmation hearing in Sacramento where he thanked the Senate Veterans Affairs Committee, both as a member of the Board and a member of the Yountville Veterans Home, for the meaningful legislation passed to assist veterans; he was invited to the Capitol by Assembly Speaker Herb Wesson for a press conference relating to the passage of AB 2509 in connection with Veterans Homes and was invited back on July 1 by Governor Davis for the signing of AB 2509; and he also attended a memorial service for Korean veterans in Santa Nella.

REPORTS:

(Status of CDVA Division / Select Cal Vet Board (CVB) Committees / Special)

VETERANS HOMES OF CALIFORNIA, CDVA DIVISION:

Barstow Veterans Home –Administrator John Heltsley, reported the census at Barstow is 239. There are 89 members in the Skilled Nursing Facility (SNF), which is only 75% occupancy. Many veterans need this type of care and there should be no problem filling those beds. There are 16 members in Intermediate Care, 24 in Residential Care for Elderly (RCFE) and 110 in the Domiciliary Unit. They expect to meet their goal of 310 members in calendar year 2003. They are experiencing a nursing shortage. Of 15 authorized nursing positions, there are currently only 5 filled. They have recently lost two significant positions through resignations—Skilled Nursing Facility Administrator and Coordinator of Nursing Services. Recruiting is ongoing and there are some very qualified applicants to fill the vacant positions.

A mock survey was held on June 10 with consultants and headquarters staff including Undersecretary Tom Kraus. On June 14, residents celebrated the U.S. Army's 227th birthday; on June 18, 20 members of the Barstow Garden Club visited the Home for lunch and a tour; on June 22, 10 members of the Barstow Master Composters visited with residents. A Fourth of July celebration for residents included a barbecue lunch, bingo and fireworks.

Board Member Feldman asked Mr. Heltsley to discuss the financial recruitment package for nurses. Mr. Heltsley said the Home pays the state wage rate, plus \$1,000 recruitment bonus for registered nurses. A significant benefit is the state's retirement package. The package is competitive with salaries offered in the high desert region. Mr. Feldman said he agreed, but added that he had information about bonuses and salaries offered to registered nurses by other care providers. He said the state needed to offer wages consistent with the market place so the homes can effectively recruit and retain nurses. He gave the information to Mr. Steck to be used as a guide for appropriate expenditures of funds so that the homes can provide proper care. He said the homes had come under criticism, and problems should not arise from a lack of available personnel to provide care.

Yountville Veterans Home – In the absence of Administrator Marcella McCormack, Board Member Lattman reported for Yountville. A residency hall was being closed down for two years for renovation and members are being integrated into other sections. There were some problems, but they have been resolved. The Yountville Home currently has 1,089 residents, of which 2 are in acute care, 202 in skilled nursing and 157 in intermediate. The remainder is in residential units.

The Independence Day celebration was extremely enjoyable and included a baseball tournament, wheelchair rodeo, children's games, a parade, music and fireworks. Senator Mike Thompson addressed attendees at the patriotic ceremony.

Chula Vista Veterans Home – Chairman Sinopoli noted that Tom Arnold, Administrator of the Chula Vista Home, had been at the Board meeting on Friday, but could not stay for this meeting. John Hanretty, Chief of Finance Division, reported on his behalf. The home entered its official Skilled Nursing Facility survey in March and 10 patients were admitted. After the survey, there is a waiting period called a reasonable assurance period before the Department of Health Services comes back to make sure the patients are being cared for properly. The home has now been advised that the license for the SNF will be issued. There are a total of 213 residents at the Chula Vista home and 154 on-duty personnel. The residential units are basically fully occupied and community support continues to be very positive in terms of donations and media exposure.

California Veterans Homes Division – John Hanretty reported on plans for 5 new veterans homes. Three will be in Saticoy, Lancaster and West Los Angeles. Two others will be in the areas of Redding and Fresno. Authorization is contained in legislation that has passed out of the State Senate. It needs to be approved by the Assembly. Approval should be in place in the next month. The department will then put in its request for funding to the federal government by August 15. There is only \$100 million available from the federal government each year and California is requesting \$55 million.

VETERANS HOMES CALIFORNIA, CVB Committee, Larry Lattman. Mr. Lattman complimented the new Board Member Leo Burke for the hard work he put in on the Governor's Commission on Veterans Homes. It is through those efforts and the Commission's report that the five new homes are to be built. He said it is the best thing to happen to veterans in this state in many years.

Member Feldman reported on a pilot program that has been established with John Heltsley's help and guidance. It involves physicians from L.A. hospitals and UCLA updating their skills to address health problems that exist in the homes. It will be an ongoing program that will identify the areas of health concerns of the older veterans who reside in the homes and will be expanded to include other schools and hospitals. Little money is involved and it will be a win-win situation that will greatly benefit veterans. Such a program does not exist elsewhere in the United States.

FARM AND HOME PURCHASES, CDVA DIVISION - Division Chief George Flores, reported there would be a meeting of Farm and Home Managers in Sacramento on June 16 and 17 bring them up to date on activities and legislation affecting the division and to develop a stronger marketing plan. He stated that current Cal-Vet interest rates are 5.8% for revenue bond loans, 5.9% for general obligation bond loans and 6.5% for unrestricted funds. The lower rate for revenue bonds benefits younger veterans who are first-time homebuyers and who do not qualify for general obligation bonds, which are limited to veterans with service prior to January 1977. He said conventional interest rates are near 6.25% and the division is studying how it may be able to reduce Cal-Vet rates even further. This may be possible because the program is financially healthy. The three bond rating agencies—Moody's, Standard & Poor and Fitch—have all given Cal-Vet bonds the highest rating of any State of California bonds. This is a vote of confidence, which proves the program is being run well. The division is doing those things necessary to keep the program solvent and still provide a meaningful benefit to veterans in California. During May and June, 210 new Cal-Vet loans were closed totaling \$36.6 million.

FARM AND HOME PURCHASES, CVB Committee, Judy Gaze: Board Member Gaze was excused from attending this meeting.

VETERANS SERVICES DIVISION – Ron Brand reported in lieu of Division Chief Glen Halsey. He said that according to the Department of Motor Vehicles, 726 new veterans license plates were purchased in April and May. Of those, 566 were personalized plates. The money from the plates helps to support the County Veterans Service Offices.

During the month of June, Veterans Services staff attended the Disabled American Veterans Department Convention in Fresno, the Veterans of Foreign Wars State Convention in Fresno and The American Legion State Convention in Bakersfield. They reported on the benefits and services available to veterans through their division and through the Cal-Vet loan program.

Mr. Brand said the Stand Down schedule for 2002 has been announced. Stand-Downs provide homeless veterans with meals, housing information, clothing, sleeping bags, blankets, and medical and benefits assistance. Governor Davis has authorized CDVA to provide each of the nine Stand Downs throughout the state with \$5,000 for the purchase of non-perishable goods and services. Further information can be acquired by contacting Steve Dakota in Sacramento at (916) 653-2573.

VETERANS SERVICES, CVB Committee, Veterans Services, Jerry Basconcillo: Mr. Basconcillo said he attends Stand Downs every year and urged other Board Members and veterans to attend and support the Stand Downs in their respective areas.

POLICY AND PROCEDURES, CVB Committee, Edward Feldman: The major update of the Board's Policy and Procedures Manual is ongoing. Each member of the Board is reviewing existing policies depending upon their Committee, and determining necessary revisions. The various Divisions of the Department are contributing their expertise. There will be a special meeting of Board Members in September and it is the goal to have a completed document in the latter part of 2002.

CONTRACT MANAGEMENT, CDVA - John Hanretty, Chief Finance Division, reported there are no contracts to present to the Board.

CONTRACT MANAGEMENT, CVB Committee, Jerry Basconcillo. No report at this time.

LEGISLATIVE AFFAIRS, CDVA – Jerry Jones, Chief of Legislative and Public Affairs, was not in attendance.

LEGISLATIVE AFFAIRS, CVB Committee, Leo Burke. Mr. Burke reported on AB 2559 (Wesson) as amended June 25, 2002; AB 2953 (Wiggins) as amended June 17, 2002; SB 1234 (Johannessen) as amended June 28, 2002; and SB 1773 (Chesbro) as amended July 1, 2002. These four bills relate to the construction and renovation of veterans homes in California. The four bills contain urgency measures and are dependent upon each other to become effective. These bills are consistent with recommendations made in 2001 by the Governor's Commission on Veterans Homes. California has been identified by the USDVA as one of the three states with a great need for additional veterans homes and it is vital that the Legislature act quickly to ensure the state's veterans the care they need and deserve. Their passage would have no fiscal impact on the General Fund in fiscal year 2002-2003. There will be positive economic impact on the three areas of development and there are no legal issues of which the Board is aware. Numerous veterans' organizations, local governmental organizations and this Board support the bills. Specifics of each bill are as follows:

AB 2559 would continuously appropriate moneys in the Veterans' Home Fund, without regard to fiscal years and in an amount not to exceed \$31 million, to meet state funding requirements for construction of veteran's homes to be located in Lancaster, Saticoy and West Los Angeles.

AB 2953 (Wiggins) would continuously appropriate, without regard to fiscal years, an amount not to exceed \$15 million from the Veterans' Home Fund to the Department of Veterans Affairs for the renovation of the Veterans Home of California, Yountville.

SB 1234 would authorize the State Public Works Board to issue lease-revenue bonds, notes, or bond anticipation notes to finance the acquisition, design, construction, renovation, or expansion of veteran's homes at Yountville, Barstow, Chula Vista, Lancaster, Saticoy and West Los Angeles and in Fresno County and Shasta County. The bill would continuously appropriate these funds to the Board on behalf of the Department of Veterans Affairs for this purpose.

SB 1773 would continuously appropriate, without regard to fiscal years, an amount not to exceed \$25 million from the Veterans' Home Fund to the department for the renovation of the Veterans Home of California, Yountville. The bill would continuously appropriate, without regard to fiscal years, certain remaining funds from the Veterans' Home Fund for these renovations, and would also continuously appropriate certain federal matching funds for related purposes.

Mr. Burke recommended the Board take a position of "support" on these three bills and so moved. The motion was seconded. and unanimously adopted by the Board.

Mr. Burke said he wanted to thank Governor Davis for his support of the construction and renovation of veteran's homes. He also thanked legislators on both sides of the aisle and Secretary of Veterans Affairs Bruce Thiesen for their support.

MOTION: Board voted to support all bills recommended.

ANNUAL REPORT, CVB Committee, Jerry Basconcillo: Mr. Basconcillo said he is working diligently with the Executive Officer to complete the annual report due to the Legislature in October. He said all Board Members have copies of this year's draft as well as the previous report.

RECOGNITION AND AWARDS, CVB Committee, George Sinopoli: Chairman Sinopoli asked Gene Ogden to come forward. On behalf of the California Veterans Board, Chairman Sinopoli presented a plaque recognizing the service of VFW Post 11395 of Thousand Oaks to the veterans of California. Mr. Ogden thanked the Board and said they were pleased to have the Board meet in their city.

APPEALS, CVB Committee, George Sinopoli:

Donald Lake - Veterans Home - appeal is under submission and a formal decision will be furnished within 30 days.

Janis Bianco - Farm and Home Loan issue – pending official request

M. J. Sinopoli - Education Fee Waiver – formal hearing requested.

Assigned to Basconcillo and Feldman. Legal council will also be assigned.

Daniel Solorzano – Education Fee Waiver – review of records – Assigned to Basconcillo.

Teena Veliz – Education Fee Waiver – informal hearing – Assigned to Basconcillo

Douglas Wallis – Farm and Home – informal hearing –Assigned to Gaze.

LEGAL DIVISION, Joseph Maguire, Deputy Secretary / Chief Counsel: The Legal Division is working on 149 cases. 14 adverse actions; 6 bankruptcies; 2 Board of Control claims; 6 DHS citations; 30 civil litigation cases; 11 contract review; 2 EEOC claims; 1 insurance; 33 requests for legal opinions; 2 quiet title actions; 25 unlawful detainers; and 17 other miscellaneous cases. The Legal Division has six attorneys and one vacant attorney position that cannot be filled because of the hiring freeze. One case is the appeal of an award of \$586,000 for third-party liability. The department was found liable for the actions of a resident veteran at the Barstow Veterans Home. The resident allegedly harassed nurse at the hospital and the nurse filed a lawsuit. Our position is that the department is not liable for the actions of a resident of the home.

Other cases are a result of the Quackenbush fiasco where veterans believe certain rulings on insurance also apply to the department; Northridge earthquake cases; departmental telecommuting policy, reasonable accommodation policy, compressed work week/flex-time policy and disaster indemnity policy; and governing body bylaws in Yountville. The issue in Yountville is whether the doctors report directly to the governing body or whether they report to an intermediary that reports to the Governor's Office. They are taking a very strong position that they will report only to the governing body. The Law Division is trying to work on regulations, but that is a very time-consuming activity and additional staff is needed to handle it. The Legal Division is involved in many areas throughout the department and is extremely busy.

Board Member Feldman said there seemed to be a lack of clarity in conducting Board operations, such as travel and expenses associated with travel, including, but not limited to, the small stipend that is paid to Board members for a day's work and the conduct of Board business. He asked if the Legal Division could provide the Board with some written guidelines. He said the Board wants to conduct itself to the letter and spirit of the law. He gave as an example; a person working only an hour or two during a day and being paid for a full-day's work. He asked for guidelines as to what is expected in order to be paid a full day's compensation.

CDVA MARKETING, Ron Brand: Mr. Brand reported that during the month of June, marketing staff attended state conventions of G.I. Forum, DAV, AmVets, The American Legion, VFW, Purple Heart, and Jewish War Veterans. Staff explained all the programs offered by the department. They also met with organizations of real estate professionals and bankers. He said that last year; Cal-Vet loans took a little too long to process. They are getting the word out that Cal-Vet is competitive in the market.

INSPECTOR GENERAL, Jerry Hansen: Mr. Hansen said the Inspector General's Office would be providing ongoing assistance to the Veterans Board regarding policies, procedures and other issues. The I.G.'s office is comprised of three full-time employees and two part-time retired annuitants. They operate a toll-free information center for the state to service 2.6 million veterans and their families. They try to answer all questions, regardless of whether they relate specifically to the State of California, as they realize the frustrations felt when people are forwarded on to several numbers before they can get an answer. They all work on complaints. Mr. Hansen's special area is the Veterans Homes. His Chief Deputy who is retired Army works most closely with Farm and Home Division. The third full-time staff member is a former auditor and it focused on internal audits to make sure there are the proper internal controls and checks and balances. One of his part-time employees has expertise in the health field and also works with Veterans Homes. Presently they have no clerical support in the office.

Mr. Hansen commented on Assembly Bill 748 (Chavez) that would appropriate \$500,000 from unencumbered funds in the Veterans' Farm and Home Building Fund of 1943 (Cal-Vet funds) to the Office of the Inspector General to hire an independent financial and banking consulting firm to conduct a detailed audit and analysis of the effectiveness and efficiency of the veterans' farm and home purchase program. The bill would require the Inspector General to report to the Legislature on, among other things, the status of the fund and program, and recommend how moneys in the fund might be used to provide housing for homeless veterans and meet the needs of other veteran populations. He said that the issue of homeless veterans is an important one. He is not closely involved with the bill but believes the department and the Board should watch it. He called on George Flores to provide some further information.

Mr. Flores said the intent originally was to take funds from Cal-Vet “unrestricted bond funds” to benefit homeless veterans in some manner with no provision to pay the funds back to the Cal-Vet program. Mr. Flores pointed out that the funds are identified as “unrestricted” because they may be lent to veterans who do not qualify under federal laws that govern other bond funds. These include many recently discharged veterans who do not qualify for revenue bond funds because they are not first-time homebuyers or have too much income and veterans who do not qualify for general obligation bonds because they have no service prior to January 1, 1977, or have been released from active duty for longer than 30 years. There are no other funds to provide Cal-Vet loans for these veterans. These funds come from previously repaid bonds. When lent to veterans to purchase homes, they are repaid again into the fund to be used for other veterans’ loans. This bill would have taken the funds for use by homeless veterans with no provisions for repayment. It is taking money from one group of veterans to benefit another group of veterans, but with no provision to ever repay the money. The bill has been amended now to take \$500,000 for another study of homeless veterans, as well as another study of the Cal-Vet program, to determine how to take money from the fund for homeless veteran assistance. It was also proposed that CHFA take over the Cal-Vet program. Representatives from the Governor’s Office and both houses of the Legislature met with CHFA staff members several weeks ago about this. CHFA staff explained they do not have the expertise to administer the Cal-Vet program, which is unique in the mortgage finance business. Mr. Flores pointed out that the VFW was at the Capitol to oppose the bill. Mr. Flores said it had been suggested to the author that it might be better to combine his proposed homeless veteran program with a bill being proposed by Senator John Burton, which would provide \$2.2 billion for the homeless. It appears they are too intimidated to talk with Senator Burton about this.

Mr. Maguire said the Legal Division had also looked into the proposal of taking money from the Cal-Vet fund for homeless veterans and they believe it would be against the law. In the past, it has been found unconstitutional to take money from the Cal-Vet fund to support County Veterans Service Offices.

Board Member Lattman commented that another study of the homeless is not needed. There has to be another answer.

SECRETARY'S COMMENTS: Chairman Sinopoli called on John Hanretty to represent Secretary Bruce Thiesen. He thanked the Board for meeting with veterans continually throughout the State of California and for the open agenda that invites veterans to speak before the Board. He also thanked all the veterans who participate. He discussed the improvements made by the California Department of Veterans Affairs over the past year. A year ago, there were no provisions for caring for veterans in skilled nursing facilities, there were no plans for the five new veterans homes, and the department did not contribute any money to Stand Downs. In one year’s time, Secretary Thiesen, with the help of Governor Davis, the Board and veterans organizations has demonstrated significant leadership to make all those things happen. Don’t believe everything you read or hear about the Department of Veterans Affairs. Much of the criticism being written about the department is no longer true. It is “old news”. Sometimes two or three years old. Individuals, including members of the press and candidates for office, are picking up old reports and studies that are no longer valid. The department is determined to talk to veterans to present the department’s issues as they are currently and what is being done presently. There is no area of the agency that is standing still. Much progress is being made. The department is taking a leadership role for veterans and will continue to do so. Mr. Hanretty thanked the Board for the opportunity to make this presentation.

PUBLIC COMMENT – THREE MINUTE LIMIT:

(Board Policy Prohibits Response from Board Members)

Gene Ogden, current Adjutant and past Post Commander of the VFW in Thousand Oaks, thanked the Board for coming to Thousand Oaks. He acknowledged members of the audience from various organizations and thanked them for their support. He said he was very proud that they could sponsor this event and acknowledged the long cooperation they have had with the Thousand Oaks Elks Lodge. He thanked Chairman Sinopoli and all members of the Board for keeping the welfare of the veterans uppermost in their thoughts and actions. He complimented Earl Steck on his professionalism. He apologized for the failure of local politicians to attend. He said he appreciated Secretary Thiesen addressing all the questions of people who were in attendance at the Board meeting on Friday. He said he had attended the meeting on Friday addressing the appeal of a veteran who had been denied admission into the Chula Vista Home and believed it had been handled very professionally and patiently. He said he believes the Board truly represents California veterans. While there may not be complete agreement on every issue, he said he was assured that the Board takes a thorough and practical approach in all matters brought before it. He expressed concern about the number of beds proposed for the veterans home in Ventura County and asked that the bill be looked at before final signature by the Governor to ensure that the proposal is the best possible plan.

Chuck Bennett, VFW 11461. He expressed concern about the number of beds at the proposed veterans home in Saticoy. He said it was thrilling and exciting that there were 5 new veterans homes on the horizon. However, he said that 10 years ago they had talked about a 400-bed home. When Proposition 16 passed that appropriated \$50 million, it was for Yountville, Saticoy and Lancaster. There is a beautiful 22-acre site in Saticoy. But a 60-bed facility there is only a token gesture. He does not believe that is best for veterans. While it may not be able to be 400 beds, it should be at least 250 beds. He asked members of the Board to support increasing the size of the home in Saticoy, which would also make more sense economically when considering employment and infrastructure.

Joseph N. Smith, Los Angeles County Veterans Service Officer, announced a number of events taking place in Los Angeles County and asked that attendees take copies of flyers that had been provided. He mentioned a group of Korean entertainers; an event recognizing veterans of World War II who had served in France, being sponsored in part by the French Consulate; and a salute to U.S. Armed Forces of the Far East.

Suzie Hobbs introduced herself as an “Air Force brat”. She expressed her gratitude for living in a free country thanks to its veterans. She said she is working with homeless veterans in Ventura County. Many of these veterans are struggling because of their experiences in war. She said that 23% of the homeless in the United States are veterans. She discussed the “not in my back yard” problem and the problem of retaining appropriated funds for the purpose of aiding the homeless. She believes there are 2,000 homeless veterans in Ventura County.

Steve Rosen-- Chairman of the Los Angeles County Advisory Commission, commended the Board for its support of the several bills to create new veterans homes. He expressed his concern that time is short to have everything in place by August 15 in order to obtain federal funds. He said all interested veterans should contact their representatives to ensure passage of the bills in time to meet the federal funding date.

Ralph Leventhal, Past Commander, Jewish War Veterans, said he had traveled extensively throughout the state and he expressed concern that politicians had used the veterans and had split veterans apart on issues. He said that Leo Burke and the Governor’s Commission on Veterans Home had done a fine job.

It is important that veterans groups stick together to ensure the work goes forward. There is a need for open forums.

Bob Harper, Quartermaster of VFW Post 11395, Thousand Oaks, said his post gets calls from many parts of the state about where veterans can go to get services and information. His post is trying to put together a listing to assist veterans in their search for assistance. Suzie Hobbs had provided assistance in this endeavor. He asked how there can be a central contact for referrals and requested input.

UNFINISHED AND NEW BUSINESS:

Veterans Homes – Unreimbursed Cost of Care. Joe Maguire reported on the case of Troy Durbin who passed away while a resident of one of the Veterans Homes. His family became upset when they received a bill for unreimbursed cost of care in the amount of \$43,145.26. The Inspector General had requested the Legal Division look into the matter. The Inspector General that the Legal Division could not address the accounting problems. Mr. Maguire mentioned proposed legislation by Senator Haynes, SB 1281, that would require the administrator of a veterans home to provide each member of the home a written notice of the costs of care that may be incurred in excess of the member contribution fee, with a quarterly statement or accounting of all charges for the cost of care rendered to the member in excess of the member fee. This addresses one of the issues brought forth by the family of Mr. Durbin. Mr. Maguire also reviewed some other issues in the case involving a veteran paying for care on an ongoing basis rather than the estate being charged after a veteran's death, but explained his office could not become involved as the matter had been referred to the Office of the Attorney General.

Introduction of New Board Member. Chairman Sinopoli said the new Board Member, Leo Burke, had been introduced previously. He welcomed him again.

Cal-Vet Life and Disability Program. George Flores reported the committee comprised of staff from the Division of Farm and Home Purchases, the State Insurance Commissioner's Office, The General Services Department and Board Members Judy Gaze and Leo Burke will meet on July 18 in Sacramento to recommend which of the, Standard Life of Oregon and Pacific Life, should be selected. The following week they will meet with the Executive Committee, comprised of the Secretary of Veterans Affairs and Deputy Secretaries for their approval and recommendation. A presentation on the Committees' findings will be made to the Board at its meeting in Redding in August. Mr. Flores said they are pleased with negotiations with the companies. It does not appear there will be any increase in premiums, but there will be increases in benefits.

Department Balanced Report Card. John Hanretty explained this report organizes at a high level a series of performance indicators and measures those indicators on how divisions are performing. Each division has determined what needs to be measured and is developing tools to measure against the report. A listing of the annual reports due to the Legislation has been provided to the Board for information. He said the list is public information.

Budget Report. Mr. Hanretty there is no budget at the moment and it is unlikely the budget will be passed before August 5. The biggest problem for the Department will be paying vendors at the Veterans Homes. He said some short-term cuts last year have been restored in the proposed budget and it is expected that the Department's budget will remain intact. The four bills for the Veterans Homes are separately appropriated outside the budget, so it is not necessary that the budget be passed in order to get those bills through and submit our application to the federal government.

Board Member Feldman said he and Mr. Steck had met with Senator Pete Knight and one issue to be resolved was an improvement of communications between the Department and the Legislature. He is meeting with Senator Knight again and asked that Mr. Hanretty provide him with key information that will provide Senator Knight insight into the Department. Mr. Hanretty agreed to provide the information. Chairman Sinopoli mentioned that the Board and Department had been criticized for not providing reports and they did not know what was going on within the agency. He said he hope this latest Balanced Report would satisfy this problem and that legislators would read it. Mr. Hanretty said the Department was also building a stronger relationship to the staffs of the legislators and information is being provided on a routine basis. He said it is a complicated process to get reports out on a timely basis, but the improving relationship between the staffs should help resolve the problem.

CLOSING REMARKS: Chairman Sinopoli said there had been a tremendous crowd at the meeting today. People who were thinking about veterans. He said he had never had so many people who had asked to make comments and he thanked everyone in attendance and declared the meeting adjourned.

FUTURE MEETING DATES AND LOCATIONS:

All meetings take place on Friday and Saturday unless notified.

Aug 2-3	Redding (Anderson)
Sept 13-14	Newport Beach (Pending change to Sacramento)
Oct 4-5	San Diego
Nov 1-2	Fresno Area (Clovis) (Pending date change to Nov 15-16)
Dec 6-7	Vet Home of Cal. In Yountville

Yearly schedule is posted on web site: www.cdva.ca.gov/board

CLOSED SESSION (if necessary or required)

The general reason or reasons for a closed session, and the specific statutory authority therefore, are (1) to consider the appointment or employment of a public employee under the authority of Section 11126(a) of the Government Code; and (2) to confer with or receive advice from the Board's legal counsel regarding pending litigation under the authority of Section 11126(E)(2)(A), (2)(B), and (3) of the Government Code.

- There being no further business to discuss the meeting was adjourned at 3:22 PM.
- These minutes are only a summary of the proceeding and are not reported here verbatim.
- These minutes are posted to the California Department of Veterans Affairs on-line website at www.cdva.ca.gov/board

ADJOURNED 11:26 AM

NOTE: A public meeting of the following Select Committees was held on Friday July 12, 2002 at 2 p.m. Elks Lodge meeting room, Thousand Oaks, CA The following topics discussed: Annual Report, Appeals, Contract Review, Farm and Home, Legislation, Policy and Procedures, Recognition and Awards, Veterans Homes, and Veterans Services.